

**TOWN/VILLAGE OF NORTHFIELD
JOINT BOARD MEETING
BOARD OF TOWN SELECTMEN
BOARD OF VILLAGE TRUSTEES
Minutes of December 15, 2009**

- I. **ROLL CALL.** Selectboard Chair Kenneth Johnson, Selectmen Melvin Adams, Kenneth Goslant, Charles Morse, and Gregory Sanders (absent); Trustees Chair Samantha Baraw, Trustees Colin Bright, Libby Hambleton, Doug Lawson, and Thomas McCarney. Also present were Municipal Manager Nanci Allard, Accounting Manager Laurie Baroffio, Acting Clerk Kenneth McCann, Michael L. Segale CPA (Fothergill, Segale & Valley), Matt Gadbois, and Kathleen Lott (*Northfield News*).

The meeting was called to order at 7:00 p.m.

- II. **PUBLIC PARTICIPATION:** None.

III. **JOINT DISCUSSION**

- a. **Property Tax on Utility Lines outside Northfield Village.** Trustee Lawson stated that he recently became aware that the Village of Northfield was paying property taxes to the Town of Northfield on utility lines located outside the Village; this did not seem right to him so he investigated the matter. According to his own research, the property tax charged to the Northfield Electric Department (NED) for power lines, poles, etc. is proper. However, the tax on water lines is arguable. Some Vermont communities charge each other for utility lines belonging to neighboring communities while others do not. The Champlain Water District specifically forbids its member communities from taxing each other. The situation is unique here because, regardless of Town vs. Village, it is all Northfield. An attorney has been consulted and his opinion is that the water lines should not be taxed. Trustee Lawson is concerned that water rates have to be increased in order to pay this tax to the Town. At last month's Board of Listers meeting (11/12/09), there was a suggestion that the Selectmen and Trustees should reach an agreement on this dispute rather than go through costly litigation. As for the tax on sewer lines, Trustee Lawson believes that there is ample legal precedent in the courts showing that these definitely should be tax exempt.

Selectman Morse, who was Municipal Manager when this tax was instituted in 2004, believes there is a system of protocol for resolving this kind of dispute and that is the Board of Civil Authority (BCA). He felt that this matter should be brought to the BCA before there is any attempt to set up an extralegal agreement between the Boards. Trustee Lawson noted that this tax was instituted without the BCA's participation so he does not know why they should become involved now. He felt that reaching this agreement was preferable to litigation (and attorney fees). Another option, he noted, was to make a request at the next Town Meeting (March 2010) for a tax exemption on these properties. Trustee McCarney added that another issue was whether the assessed value of these properties was too high, as there was some evidence that the Listers had overvalued the properties. Selectman Adams noted that there are two (2) separate issues here: whether the tax itself is legal and (if so) whether it is assessed properly. Given the complexity of this matter, including some concerns raised by Selectman Morse regarding the State's possible role in this dispute, Selectman Adams suggested that it should be researched further and then discussed at a future meeting. This matter will be placed on the agenda for the meeting scheduled for next week (12/21/09).

- b. **Northfield Town and Village Audit Reports.** Michael Segale is a Certified Public Accountant from the auditing firm (Fothergill, Segale & Valley) contracted by the Municipality to audit the Town and Village accounts. Both Boards were provided beforehand with copies of their respective audit reports and Mr. Segale was present tonight to explain the methodology, the financial status of the Town and Village, note where corrections should be made, and answer any questions. He first provided an overview of the audit report and financial statements for the Town of Northfield. Regarding the deficit associated with the construction of the new police station, he noted that this will be offset when Norwich University provides its annual donations towards this project.

Mr. Segale stated that, overall, the Town of Northfield's revenues and expenses are well balanced and the Town's finances are in good condition. There had been some concerns raised regarding some accounting procedures, such as some bill payments that did not go through the normal warrant process. In addition, some questions were raised on why the Selectboard had approved some Village Highway expenses (which were then reimbursed by the Village). He noted, however, that these were minor issues and easily correctable.

Mr. Segale then provided an overview of the audit of the Village of Northfield. He noted that this report is longer because of the utilities and the grant money received from the federal government for associated capital projects. The latter requires proof of compliance with all federal regulations. He then reviewed the Village financial statements. Mr. Segale stated that the utility accounts are in good condition. He noted that the necessity to set proper utility rates that balance expenses and revenues is an extra responsibility that the Town does not share. As with the Town, there were some suggestions for improved accounting practices but (again) these also were minor concerns.

Trustees Lawson and McCarney had some questions regarding TRANSCO Equity and how it would show up in the balance sheets. Mr. Segale and Accounting Manager Baroffio explained that shares owned outright by the Village of Northfield were listed as assets; however, those purchased by the Vermont Public Power Supply Authority (VPPSA) on behalf of the Village were considered as investments. Once the Village compensates VPPSA for these shares, they will be listed as assets.

Trustee Lawson asked about the amounts designated as uncollectable utility bills; are these normal and acceptable amounts? Mr. Segale stated that the amounts were fairly small and this was acceptable practice.

The Boards thanked Mr. Segale for the reports and for his presentation.

- c. **Central Vermont Solid Waste Management District (CVSWMD) update.** Selectman Morse noted that the *Times Argus* article covering the December 2, 2009 CVSWMD Board Meeting had been in the packets. He himself had attended the meeting and had been disappointed that the other member communities did not support the proposed per capita increase that would have kept the recycling centers operating for at least another eighteen (18) months. We now are looking at the probability that the CVSWMD will subcontract operation of the recycling centers in the near future but there is no guarantee that they will operate beyond the end of the current CVSWMD fiscal year (06/30/10). Selectman Adams added that the Town should be prepared for when that happens. Kathleen Lott noted that if the CVSWMD cannot maintain its line of credit, the recycling centers may close even sooner. Trustee McCarney has been following the Selectboard's actions on this matter and approves of what has been already done to make sure that we are prepared for whatever may happen. He does not want to see the Northfield Recycling Center close and our backroads become dumping grounds for refuse. Selectman Adams stated that it is the Selectboard's clear intention that the Northfield Recycling Center remains open, no matter who operates it. Selectboard Chair Johnson agrees with Trustee McCarney on the importance of the recycling center to the community and promised that the Selectboard will keep this matter "on the front burner."
- d. **Town Selectboard & Village Trustees 2010 Regular Meeting Schedule.** The Boards had been provided with draft regular meeting schedules for the next calendar year. Motion by Chair Johnson, seconded by Selectman Goslant, to approve the 2010 Selectboard regular meeting schedule. **Motion passed 4-0-0.** Motion by Trustee McCarney, seconded by Lawson, to approve the 2010 Trustees regular meeting schedule. **Motion passed 5-0-0.**
- e. **Joint Board Meeting.** The Town Selectmen and Village Trustees will meet on Monday, December 21, 2009 at 6:00 p.m. at the Northfield Police Station. The main topic of discussion will be Town and Village Highway budgets for the next fiscal year (2010/2011).

IV. LIQUOR CONTROL COMMISSION

- a. **Second Class Liquor License and Tobacco Application: Convenience Plus.** Motion by Selectman Morse, seconded by Selectman Goslant, to approve and sign the liquor license and tobacco application for the new owners of Convenience Plus. **Motion passed 4-0-0.**

V. BOARD OF TOWN SELECTMEN

a. Approval of Minutes

1. **November 23, 2009 (Regular Meeting).** Motion by Selectman Morse, seconded by Selectman Goslant, to approve the minutes. **Motion passed 4-0-0.**
2. **November 30, 2009 (Budget Meeting).** Motion by Selectman Morse, seconded by Selectman Goslant, to approve the minutes. **Motion passed 4-0-0.**
3. **December 1, 2009 (Budget Meeting).** Motion by Selectman Morse, seconded by Selectman Goslant, to approve the minutes. **Motion passed 4-0-0.**
4. **December 3, 2009 (Budget Meeting).** Motion by Selectman Morse, seconded by Selectman Goslant, to approve the minutes. **Motion passed 4-0-0.**

b. Approval of Bills

1. **Warrant #12-10.** Motion by Selectman Morse, seconded by Selectman Goslant, to approve Warrant #12-10 in the amount of \$979,788.66. Selectman Adams noted that this warrant was unusually large because \$906,000 of property tax money collected by the Town was being transferred to the Northfield School District. Selectman Goslant questioned high electric and heating bills for the police station and library. **Motion passed 4-0-0.**

c. Status Reports: Various Projects. The Selectmen had nothing to add.

VI. BOARD OF VILLAGE TRUSTEES

a. Approval of Minutes

1. **November 24, 2009 (Regular Meeting).** Motion by Trustee Hambleton, seconded by Trustee Lawson, to approve the minutes. Trustee McCarney asked Trustee Lawson if the section regarding his report on the Village Common sidewalks was entirely accurate. Trustee Lawson stated that, unlike what is indicated in the minutes, he has not personally spoken to the Water Project contractor about the retaining wall and sidewalks on the south side of the Common; however, he believes that this matter *has* been discussed with the contractor by someone from the Public Works Department. **Motion passed 5-0-0.**

b. Approval of Bills

1. **Warrant #12-10.** Motion by Trustee Hambleton, seconded by Trustee Bright, to approve Warrant #12-10 in the amount of \$420,140.67. Trustee McCarney had some questions on payments to Green Mountain Power (GMP) for repairing a broken pole and work at the National Guard Armory. Manager Allard stated that she will check with Utility Assistant Doug Reed on these payments. **Motion passed 5-0-0.**
2. **Warrant #12-10A.** Motion by Trustee McCarney, seconded by Trustee Hambleton, to approve Warrant #12-10A in the amount of \$379,040.08. It was noted that this payment was for construction on the West Phase of the Water Project. Trustee McCarney asked how much of the project had been completed. Manager Allard did not have this information with her but will forward it to him. **Motion passed 5-0-0.**

c. Capital Equipment Note (Sidewalk Trackless): \$14,000 at 2% interest. Motion by Trustee McCarney, seconded by Trustee Lawson, to approve and sign the Capital Equipment Note in the amount of \$14,000 at 2% interest as well as the associated Resolution and the No-Arbitrage and Use of Proceeds Certificate. **Motion passed 5-0-0.**

d. Status Reports: Various Projects

1. **Street Banners.** Trustee McCarney had thought that this matter would be on tonight's agenda; why was it not? Manager Allard stated that the Selectboard did not want to discuss this matter tonight. Chair Johnson confirmed this and stated that since the Planning Commission now has authority over street banner requests, any concerns should be addressed to them. Trustee McCarney remembers that when the Boards turned this responsibility over to the Planning Commission, it was with the understanding that these banners would be for non-profit organizations only. However, a for-profit business has had a sale banner up for at least a couple years and he does not think this is appropriate. Chair Johnson believes that the Planning Commission should review this issue and provide some clear guidelines.

2. **Early Municipal Building Closing.** Trustee McCarney noted that last Wednesday (12/09/09), the Municipal Building was closed at noon and the employees sent home because of the severe snowstorm. He asked if the building employees were paid for the afternoon hours that they did not work. Manager Allard said that they had been. Trustee McCarney did not think this was fair to Village Highway and Water/Sewer Department employees who had to work that afternoon as normal; shouldn't they get some additional compensation? Manager Allard stated that the Village union contract allows for different treatment of different departments when special circumstances warrant. Trustee McCarney still did not feel it was fair that some Village employees were able to go home and get paid for it while other had to continue working. He felt that there should be some extra compensation to those who worked a full day. Motion by Trustee McCarney, seconded by Trustee Lawson, to provide extra compensation (money) to the Village employees who worked a full day. Trustee Lawson then suggested that the affected employees should be given extra time-off (personal time) rather than extra cash. Motion by Trustee Bright, seconded by Trustee Lawson, to amend the original motion and provide the Village employees who worked a full day with extra personal time as compensation. **Motion to amend original motion passed 5-0-0.** Trustee Hambleton noted that when she worked at Norwich University, employees who worked out of town were allowed to leave early during bad snow days. She thinks that this is a safety issue and the intention was to help employees get home safely. **Amended motion passed 4-0-1, with Trustee Hambleton abstaining.** It was noted that this was a one-time only action and should not be considered a precedent.
3. **Road Maintenance.** Trustee McCarney wanted to thank the Highway crew for their excellent work on the Village streets and sidewalks.
4. **Holiday Lighting and Decorations.** Trustee McCarney also commended the Village employees that assisted with the holiday decorations and lighting around the Village Common. It was pointed out that TDS Telecom also provided some of the work.

VII. MANAGER'S REPORT

a. Status Reports: Various Projects

1. **Vault Donation.** Manager Allard noted that Merchants Bank had donated to the Municipality a small vault worth approximately \$8000. It will be housed in the Municipal Building's basement (Water Department). Merchants Bank already has been thanked by letter for its generosity.
2. **Project 10.** Manager Allard stated that the Swanton project has been completed and testing is underway. The Village will begin to get credits once the facility is capable of producing electricity for over a month.
3. **Robinson Road.** Manager Allard has spoken to the State, which has said that Northfield may conduct its own speed study on the road (as a prelude to establishing an appropriate speed limit). The Police Department will put its traffic trailer on the road and record the amount of traffic as well as vehicle speeds.
4. **Ambulance Coverage.** Manager Allard stated that Barre Town Ambulance will provide coverage for Northfield while the Ambulance Supervisor is on his out-of-state vacation. Chair Johnson expressed his concerns about the cost and wondered if there were any other less expensive options.

VIII. PUBLIC PARTICIPATION: Non-agenda items. None.

IX. ADJOURNMENT. Without objection, the Boards adjourned at 9:15 p.m.

Respectfully submitted,

Kenneth L. McCann

Kenneth L. McCann, Acting Clerk

These minutes are subject to approval at the next regular meeting.